

# **Audit Issues: Path to FY 2000 Qualified Opinion and FY 2001 Clean Opinion**

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# USDA Consolidated Financial Statement Audit Goals

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- Qualified Opinion for FY 2000 (Credit Reform)
- Clean Opinion for FY 2001
- High-level timing goals (see attached sample plans)

# Background

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- Audit issues are from FY 1999 Consolidated Financial Statement Audit (and previous years' audits)
- USDA must resolve long-standing material problems before it will receive a clean audit opinion and assurances on the integrity of its processes

# Direct Loan and Loan Guarantee Programs

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## ■ **Description:**

- Need significant improvement in processes and models to estimate and report the cost of loan programs and related allowances

## ■ **Proposed Steps:**

- Complete action plan of USDA Credit Reform Working Group

## ■ **Responsible Parties:**

- RD, FSA, FSA/CCC, OCFO, OIG, GAO

## ■ **Proposed Completion Date:** 9/2001

# Cash Reconciliation

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## ■ Proposed Steps:

- Establish a cash reconciliation branch
- Obtain OIG concurrence with beginning cash balances and proposed methodology for resolving open issues
- Develop an automated reconciliation tool
- Correct systemic problems

## ■ Responsible Parties:

- OCFO (FFIS Project Office and NFC)  
Agencies

## ■ Proposed Completion Date: 12/2000

# FFIS Implementation

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- **Proposed Steps:**

- Detailed plan available from the FFIS Project

# Valuation of Real Property (Forest Service)

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- **Proposed Steps:**

- Property inventories
- Roads costing methodology
- Infra upgrade

- **Responsible Parties:** FS, OIG, GAO

- **Proposed Completion Date:** 10/2000

# Loan Accounting Systems Issues

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- **Description:** Ensure compliance with JFMIP Standards
- **Proposed Steps:**
  - Evaluate, with OIG, loan systems' compliance
- **Responsible Parties:** RD, FSA, OIG
- **Proposed Completion Date:** 9/2000



# Debt Management Accounts Receivable

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- **Description:** Ensure compliance with DCIA and Related Treasury/OMB Guidance and Debt Management Requirements
- **Proposed Steps:**
  - Provide supplemental OMB A-129 guidance to USDA agencies
  - Expedite systems interfaces & file formats for CCC & State-related (FNS) debt
  - Implement FFIS A/R Module for FS; Refer NFC debt to Treasury
  - Additional issues
- **Responsible Parties:** CCC, OCFO, NFC, FS, FNS, FFIS Project Office, RD
- **Proposed Completion Date:** 9/2001

# Plans In Progress

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- Year-End Closing and Audit Adjustments

# Resources

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## ■ Operating Accounting Issues

## ■ Plan Assumptions

- Resources are assigned to focus on plans & completion of action items
- Contract funding is obtained where necessary
- Due diligence is exercised in plan execution and monitoring of status
- Complete periodic status reports will be provided, with input from all parties involved, including agencies, OIG, GAO, Treasury

## ■ Risks